

RESINTECH BERHAD (341662-X)

CONDENSED CONSOLIDATED PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

For the period ended 31 Dec 2019

(The figures have not been audited)

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current Year 31 Dec 2019 RM'000 (Unaudited)	Preceding Year Corresponding Quarter 31 Dec 2018 RM'000 (Unaudited)	Current Year To Date 31 Dec 2019 RM'000 (Unaudited)	Preceding Year Corresponding Period 31 Dec 2018 RM'000 (Unaudited)
Revenue		17,285	23,365	60,472	66,022
Cost of sales		(12,811)	(20,745)	(46,977)	(56,030)
Gross profit		4,474	2,620	13,495	9,992
Other operating income		248	519	1,623	890
Selling and distribution expenses		(609)	(441)	(1,591)	(1,832)
Administrative expenses		(1,895)	(1,875)	(6,557)	(5,899)
Other operating expenses		(1,400)	(285)	(2,200)	(1,123)
Finance costs		(416)	(500)	(1,109)	(1,353)
Profit before taxation		402	38	3,661	675
Income tax expense	B5	290	183	(900)	(49)
Profit after taxation		692	221	2,761	626
Total comprehensive income for the period					
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:					
Equity holders of the parent		692	222	2,761	629
Minority interests		-	(1)	-	(3)
		692	221	2,761	626
Earnings per share (sen):					
Basic	B12	0.50	0.16	2.01	0.46
Diluted	B12	N/A	N/A	N/A	N/A

This is prepared based on consolidated results of the Group for the financial period ended 31 Dec 2019 and is to be read in conjunction with the Notes to the Interim Financial Report and the audited consolidated results of the Group for the financial year ended 31 March 2019.

RESINTECH BERHAD (341662-X)**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION****For the period ended 31 Dec 2019**

(The figures have not been audited)

	Current year quarter 31 Dec 2019 RM'000 (Unaudited)	As at 31 Mar 2019 RM'000 (Audited)
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	77,740	79,094
Other investment	7,626	7,626
Investment properties	36,280	35,381
	<u>121,646</u>	<u>122,101</u>
NON-CURRENT ASSET HELD FOR SALE	5,600	5,600
CURRENT ASSETS		
Inventories	22,805	23,377
Short-term investment	352	566
Trade receivables	18,893	18,926
Other receivables, deposits and prepayments	12,450	11,104
Tax refundable	1,077	1,135
Fixed deposits with a licensed bank	3,832	3,471
Cash and bank balances	2,929	2,182
	<u>62,338</u>	<u>60,761</u>
TOTAL ASSETS	<u>189,584</u>	<u>188,462</u>
EQUITY AND LIABILITIES		
EQUITY		
Share capital	68,602	68,602
Revaluation reserves	27,358	27,847
Reserves relating to non-current asset held for sale	3,857	3,857
Fair value reserve	5,675	5,675
Foreign exchange translation reserve	(794)	(496)
Retained profits	36,699	33,449
TOTAL ATTRIBUTABLE TO THE OWNER OF THE COMPANY	<u>141,397</u>	<u>138,934</u>
Non-controlling interests	(21)	(21)
TOTAL EQUITY	<u>141,376</u>	<u>138,913</u>
NON-CURRENT LIABILITIES		
Long-term borrowings	4,282	3,909
Deferred tax liabilities	13,665	13,813
	<u>17,947</u>	<u>17,722</u>

RESINTECH BERHAD (341662-X)**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION****For the period ended 31 Dec 2019**

(The figures have not been audited)

	Current year quarter 31 Dec 2019 RM'000 (Unaudited)	Current year quarter 31 Mar 2019 RM'000 (Audited)
CURRENT LIABILITIES		
Trade payables	3,035	3,145
Other payables and accruals	2,366	3,612
Provision for taxation	1,686	1,208
Short-term borrowings	16,147	16,811
Bank overdrafts	5,986	6,010
	<u>29,220</u>	<u>30,786</u>
LIABILITIES ASSOCIATED WITH NON-CURRENT ASSET HELD FOR SALE		
	1,041	1,041
TOTAL LIABILITIES	<u>48,208</u>	<u>49,549</u>
TOTAL EQUITY AND LIABILITIES	<u>189,584</u>	<u>188,462</u>
Net Assets per share based on number of shares in issue (sen)	<u>103.07</u>	<u>101.26</u>

Note:

The unaudited condensed consolidated statement of financial position should be read in conjunction with the Notes to the Interim Financial Report and the Group's audited financial statements for the financial year ended 31 March 2019.

Net assets per share is arrived at based on the Group's Net Assets over the number of ordinary shares in issue of 137,204,900 shares.

RESINTECH BERHAD (341662-X)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period ended 31 Dec 2019

(The figures have not been audited)

	Share Capital RM'000	Revaluation Reserve RM'000	Non-Current Asset Held For Sale Reserve RM'000	Distributable Retained Profits RM'000	Sub-total RM'000	Non - Controlling Interests RM'000	Total RM'000
Financial year ended 31 March 2019							
Balance as at 31.03.2018	68,602	28,529	3,857	32,692	132,756	(21)	132,735
Changes in accounting policies					4,580		4,580
	68,602	28,529	3,857	32,692	137,336	(21)	137,315
Profit after taxation for the financial year	-	-	-	3,505	3,505	-	3,505
<u>Other comprehensive income, net of tax</u>							
Fair value reserves	-	-	-	-	1,095	-	1,095
Foreign currency translation	-	-	-	-	428	-	428
Realisation of revaluation surplus	-	(682)	-	682	-	-	-
Dividend	-	-	-	(3,430)	(3,430)	-	(3,430)
At 31 Mar 2019 (audited)	68,602	27,847	3,857	33,449	138,934	(21)	138,913
Financial year ended 31 Mar 2019							
Profit after taxation for the financial period	-	-	-	2,761	2,761	-	2,761
<u>Other comprehensive income, net of tax</u>							
Fair value reserves	-	-	-	-	-	-	-
Foreign currency translation	-	-	-	-	(298)	-	(298)
Realisation of revaluation surplus	-	(489)	-	489	-	-	-
At 31 Dec 2019 (unaudited)	68,602	27,358	3,857	36,699	141,397	(21)	141,376

This is prepared based on consolidated results of the Group for the financial period ended 31 Dec 2019 and is to be read in conjunction with the Notes to the Interim Financial Report and the audited consolidated results of the Group for the financial year ended 31 March 2019.

RESINTECH BERHAD (341662-X)**CONDENSED CONSOLIDATED CASH FLOW STATEMENT****For the period ended 31 Dec 2019**

(The figures have not been audited)

	Current Year To Date 31 Dec 2019 RM'000 (Unaudited)	Preceding Year To Date 31 Dec 2018 RM'000 (Unaudited)
CASH FLOWS FOR OPERATING ACTIVITIES		
Profit before taxation	3,661	675
Adjustments for:		
Depreciation	3,862	3,140
Gain on disposal of plant and equipment	-	(36)
Equipment written off	6	1
Impairment loss on trade receivables	-	2
Interest income	(102)	(83)
Interest expense	1,109	1,353
Unrealised (gain)/loss on foreign exchange	(289)	(230)
Operating profit before working capital changes	<u>8,247</u>	<u>4,822</u>
Inventories	572	(3,653)
Receivables	(1,313)	(2,601)
Payables	<u>(1,356)</u>	<u>614</u>
Cash from operations	6,150	(818)
Interest paid	(1,109)	(1,353)
Tax paid	<u>(512)</u>	<u>(524)</u>
Net cash for operating activities	<u>4,529</u>	<u>(2,695)</u>
CASH FLOWS FOR INVESTING ACTIVITIES		
Interest received	102	83
Other investment	214	-
Proceed from disposal of property, plant and equipment	-	36
Purchase of investment property	(1,860)	(1,291)
Purchase of property, plant and equipment	<u>(2,430)</u>	<u>(9)</u>
Net cash for investing activities	<u>(3,974)</u>	<u>(1,181)</u>

RESINTECH BERHAD (341662-X)**CONDENSED CONSOLIDATED CASH FLOW STATEMENT****For the period ended 31 Dec 2019**

(The figures have not been audited)

CASH FLOWS FOR FINANCING ACTIVITIES

Bill payables	(667)	(915)
Net decrease in hire purchase obligations	(459)	(331)
Net increase/(decrease) in term loans	835	(379)
Net cash for financing activities	<u>(291)</u>	<u>(1,625)</u>

NET INCREASE IN CASH AND CASH EQUIVALENTS 264 (5,501)

Effects of foreign exchange translation 1,428 270

CASH AND CASH EQUIVALENTS AT BEGINNING**OF THE FINANCIAL YEAR** (55) 7,054**CASH AND CASH EQUIVALENTS AT END****OF THE FINANCIAL PERIOD** A17 1,637 1,823

This is prepared based on the consolidated results of the Group for the financial period ended under review and is to be read in conjunction with the audited financial results for the financial year ended 31 March 2019.

PART A: EXPLANATORY NOTES PERSUANT TO FINANCIAL REPORTING STANDARD 134 (“FRS 134”)**A1. Basis of preparation**

The interim financial statements of Resintech Berhad (“RB”) are unaudited and have been prepared in accordance with Financial Reporting Standard (“FRS”) 134 – Interim Financial Reporting issued by the Malaysian Accounting standards Board (“MASB”) and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and should be read in conjunction with the Group’s audited financial statements for the financial year ended 31 March 2019. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 March 2019.

The accounting policies and methods of computation adopted in this quarterly financial statements of the Group are consistent with those adopted for the annual financial statements of the Group for the financial year ended 31 March 2019 except for the adoption of the followings:-

FRSs/IC Interpretations	Effective date
MFRS 16 Leases	1 January 2019
MFRS 17 Insurance Contracts	1 January 2021
IC Interpretation 23 Uncertainty Over Income Tax Treatments	1 January 2019
Amendments to MFRS 3: Definition of Business	1 January 2020
Amendments to MFRS 9: Prepayment Features with Negative Compensation	1 January 2019
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 101 and MFRS 108: Definition of Material MFRS 15	1 January 2020
Amendments to MFRS 119: Plan Amendment, Curtailment or Settlement	1 January 2019
Amendments to MFRS 128: Long-term Interests in Associates and Joint Ventures	1 January 2019
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020
Annual Improvements to MFRS Standards 2015 – 2017 Cycles	1 January 2019

A2. Changes in Accounting Policies

The accounting policies and methods of computation adopted in this interim financial statements of the Group are consistent with those adopted for the annual financial statements of the Group for the financial year ended 31 March 2019.

Notes – for the financial period ended 31 Dec 2019

A3. Qualification of Annual Financial Statements

There were no audit qualifications on the financial statements of the Company for the financial year ended 31 March 2019.

A4. Seasonal and cyclical factors

The Group's business operations were not materially affected by any major seasonal or cyclical factors.

A5. Unusual nature and amounts of items affecting assets, liabilities, equity, net income or cash flows

There were no unusual nature and amounts of items affecting assets, liabilities, equity, net income or cash flows during the current quarter under review.

A6. Material changes in estimates

There were no material changes in estimates of amounts reported in the current quarter under review.

A7. Issuances and repayment of debt and equity securities

There were no issuance, cancellations, repurchases, resale and repayment of debt and equity securities for the current quarter under review.

A8. Dividend Paid

No dividend is paid during this period under review.

A9. Segment informationOperating Segment

In determining the operating segments of the Group, segment revenue is based on the products and services provided.

The Group's financial information analyzed by operating segment as at 31 Dec 2019 was as follows:

	9-Mth to Dec 2019				Consolidation adjustment RM'000	Group RM'000
	Manufacturing and trading RM'000	Services RM'000	Investment holding RM'000	Others RM'000		
Revenue						
External	60,472	-	-	-		60,472
Inter-segment	37,436	360	-	-	(37,796)	-
	<u>97,908</u>	<u>360</u>	<u>-</u>	<u>-</u>		<u>60,472</u>
Results						
Segment results	13,506	311	304	332	(9,384)	4,770
Finance costs	(1,109)	-	-	-		(1,109)
	<u>12,397</u>	<u>311</u>	<u>304</u>	<u>332</u>		<u>3,661</u>
Profit before tax						
Income tax expense						(900)
Profit after taxation						<u>2,761</u>

Segment information (continued)

	Manufacturing and trading RM'000	Services RM'000	9-Mth to Dec 2018		Consolidation adjustment RM'000	Group RM'000
			Investment holding RM'000	Others RM'000		
Revenue						
External	66,022	-	-	-		66,022
Inter-segment	39,103	360	-	-	(39,463)	-
	<u>105,125</u>	<u>360</u>	<u>-</u>	<u>-</u>		<u>66,022</u>
Results						
Segment results	5,219	312	32	461	(3,996)	2,028
Finance costs	(1,353)	-	-	-		(1,353)
Profit before tax	<u>3,866</u>	<u>312</u>	<u>32</u>	<u>461</u>		<u>675</u>
Income tax expense						(49)
Profit after taxation						<u>626</u>

A10. Valuation of property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any.

There were no revaluation of property, plant and equipment in these financial statements.

A11. Material events subsequent to the end of the interim period

There were no material events subsequent to the current financial quarter ended up to the date of this report, which is likely to substantially affect the results of the operations of the Group.

A12. Changes in the composition of the Group

There were no changes in the composition of the Group during the current quarter under review.

A13. Changes in contingent liabilities and contingent assets

As at the date of this announcement, there were no material contingent liabilities and contingent assets incurred by the Group which, upon becoming enforceable, may have a material impact on the financial position of the Group.

A14. Capital Commitments

	Individual Quarter 31 Dec 2019 RM' 000 Group	Current Year To Date 31 Dec 2019 RM' 000 Company
Capital expenditure Approved and contracted for	<u>3,820</u>	<u>N/A</u>

RESINTECH BERHAD (341662-X)**Notes – for the financial period ended 31 Dec 2019****A15. Contingent Liabilities**

	Individual Quarter 31 Dec 2019 RM' 000 Group	Current Year To Date 31 Dec 2019 RM' 000 Company
Corporate guarantees given to licensed bank for banking facilities granted to subsidiaries	<u>19,982</u>	<u>-</u>

A16. Significant Related Party Transactions

There were no significant related party transactions during the financial period under review.

A17. Cash and cash equivalents

	At 31 Dec 2019 RM' 000
Fixed deposits	3,832
Cash and bank balances	2,929
Money market funds	179
Bank overdrafts	(5,986)
Fixed deposit pledged to bank	(163)
	<u>791</u>

PART B: ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS**B1. Review of performance**

The Group achieved revenue of RM60.47 million for the financial period ended 31 Dec 2019 as compared to RM66.02 million recorded for the financial year ended 31 Dec 2018. Revenue decreased by increased by 0.84% mainly due to lower demand for our products. The Group recorded a profit before taxation of RM3.66 million and profit after taxation of RM2.76 million as compared to a profit before taxation of RM0.68 million and profit after taxation of RM0.63 million for previous financial year ended 31 Dec 2018. Current year's performance is mainly contributed by lower operating costs.

B2. Variation of results against preceding quarter

The Group achieved revenue of RM17.29 million for the current quarter under review as compared to RM21.79 million in the previous quarter. The Group recorded profit before taxation of RM0.40 million and profit after taxation of RM0.69 million for current financial period under review as compared to profit before taxation of RM1.85 million and profit after taxation of RM1.20 million for preceding quarter.

B3. Current year prospects

The Group will continue to improve the performance of all the segments by improving the demand for its products as well as implementing measures to reduce expenditure. As for the food and beverage segment, the Group will strategize effective plans to turnaround the business so as to improve the overall Group's performance.

Barring any unforeseen circumstances, the Board expects the Group to continue to achieve satisfactory performance.

B4. Variance of actual and forecast profit

The disclosure requirements for the explanatory notes for the variance of actual profit and forecast profit and for the shortfall in profit guarantee are not applicable.

B5. Income tax

	Individual Quarter 31 Dec 2019 RM' 000	Individual Quarter 30 Sep 2018 RM' 000
Current tax credit	(241)	(49)
Deferred tax credit	(49)	(134)
	<u>(290)</u>	<u>(183)</u>

Tax expense for the current period ended 31 Dec 2019 is derived based on management's best estimate.

B6. Notes to Comprehensive Income Statement

	Individual Quarter		Cumulative Quarter	
	31 Dec 2019 RM'000	31 Dec 2018 RM'000	31 Dec 2019 RM'000	31 Dec 2018 RM'000
Interest income	(33)	(38)	(102)	(83)
Interest expense	416	500	1,109	1,353
Depreciation	1,316	1,591	3,862	4,731
Bad debts written off	-	-	-	29
Impairment loss of property and equipment	-	-	6	1
Realised (gain)/loss on foreign exchange	(99)	(171)	(204)	(91)

B7. Status of corporate proposal

There were no corporate proposals announced for the financial period under review.

B8. Group borrowings

The Group's borrowings as at the end of the reporting quarter are as follows:

	Short-Term (Secured) RM'000	Long-Term (Secured) RM'000
Bank overdrafts	5,986	-
Hire purchase	569	442
Trust receipts and bankers' acceptances	14,366	-
Term loans	1,212	3,840
Total	<u>22,133</u>	<u>4,282</u>

B9. Material Litigations

Save as disclosed below, neither our Group or our subsidiary companies is engaged in any litigation either as plaintiff or defendant pending since the previous financial period which might materially affect the position or business of the Company or any of its subsidiaries:-

- (i) On 4 April 2016, our subsidiary, Resintech Plastics (M) Sdn Bhd (“RPSB”), filed a claim for RM985,407.80 together with interest against Banjaran Mendi Trading owned by Datin Norini Binti Abdul Malek (“First Defendant”) and its guarantors, Dato’ Mustaffa Bin Shariff, for goods sold and delivered. Defendants did not enter appearance and/or defence. Sealed judgement in default was obtained on 31 May 2016. Notice served to guarantors house address. Following Case Management for bankruptcy against First Defendant and Second Defendant in June and July 2017. Bankruptcy Order took place in January 2018.

Defendants files Notice of Application to set aside judgement in default and notice of application for stay of bankruptcy proceeding. We have filed Affidavit in Reply and defendants have served Defendant’s Affidavit in Reply on 23 April 2018. On 4 May 2018, the judge allowed the defendant’s application and case management took place on 23 May 2018. We had had applied for Summary Judgment (Order 14) where further Case Management was fixed on 6 June 2018.

On 6 June 2018, the Court instructed us to file Affidavit in Support and Defendants to file their Affidavit in Reply by 11 June 2018 and 25 June 2018 respectively and set the matter for further case management on 27 June 2018. Thereafter, the Court on 27 June 2018 fixed 12 July 2018 for us to file our Affidavit in Reply and 27 July 2018 for both parties to file Written Submissions and Bundle of Authorities. The Court on 6 August 2018 granted Summary Judgement (Order 14) and cost of RM3,000.00 in favour of us and against Defendants.

Defendants subsequently appealed to the Shah Alam High Court. On 21 Nov 2018, the Honourable Judge of Shah Alam High Court has struck out the Appellants application to set aside our Summary Judgement with cost of RM2,000.00.

Sealed Judgement against Datin Norini and Dato’ Mustaffa were obtained on 15 November 2019. The Court has also set 10 April 2020 for us to update whether the Sealed Bankruptcy Notice on Datin Norini has been served, in which attempts had not been successful thus far.

B10. Dividends

No dividends declared during the period under review.

B11. Basic earnings per share

The basic earnings per share for the current quarter and cumulative year to date are computed as follow:-

	Individual Current Year Quarter 31 Dec 2019 RM'000	Year To Date 31 Dec 2019 RM'000
Profit attributable to holders of the parent for the period	<u>692</u>	<u>2,761</u>
Number of ordinary shares in issue	<u>137,205</u>	<u>137,205</u>
Basic earnings per share based on the number of shares in issue (sen)	<u>0.50</u>	<u>2.01</u>
Diluted earnings per share based on the number of shares in issue (sen)	<u>N/A</u>	<u>N/A</u>

The diluted earnings per share is equal to the basic earnings per share as there is an anti-dilutive effect arising from the conversion of warrants.

B12. Derivative Financial Instruments

The Group did not enter into any derivative financial instruments which were outstanding during the financial period under reviewed.

B13. Authorisation for issue

This quarterly report was authorized for issue by the Board of Directors in accordance with the resolution of the directors duly passed.